



STATE BOARD OF EQUALIZATION
PROPERTY TAXES DEPARTMENT
450 N STREET, MIC: 64, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
TELEPHONE (916) 445-4982
FAX (916) 323-8765
www.boe.ca.gov

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TO INTERESTED PARTIES:

REVIEW OF POSSESSORY INTEREST REGULATIONS:
PROPERTY TAX RULES 21, 22, 23, 24, 25, 26 and 28

The Board is currently reviewing Property Tax Rules 21, 22, 23, 24, 25, 26, and 28 relating to the assessment of taxable possessory interests. (Although they also address possessory interests, rules 20 and 27 are outside of the scope of this project. Rule 20 was recently revised, in 1998, and rule 27 involves the valuation of taxable possessory interests for the production of hydrocarbons, a specialized area.) The structure of the current revision is as follows:

- Rules 21, 23, 24, 25, and 26 will be combined into a single rule—proposed new rule 21—that addresses the same concepts covered in these existing rules.
- Rules 22 and 28 will remain in effect unchanged.

A copy of proposed new rule 21 is enclosed. Interested parties may submit proposed changes to the rule language in the form of alternative text. Proposed changes will be accepted until October 13, 2000. Staff will review any suggested changes and will incorporate those that they believe to be appropriate. Prior to the interested parties meeting, staff will distribute a matrix that contains comments and alternative language submitted by interested parties with staff's corresponding positions.

On December 5, 2000, staff will meet with interested parties to discuss the contents of the matrix. The purpose of this meeting is to reach agreement on rule language. The meeting will be held at 9:30 a.m. in Room 122, Board of Equalization, 450 N Street, Sacramento. Unresolved differences, if any, will be presented to the Property Tax Committee in early 2001 for resolution.

Please submit any proposed changes to Paul Lane, Policy, Planning, and Standards Division (e-mail: paul.lane@boe.ca.gov; facsimile: (916) 323-8765). If you have any questions, please contact Mr. Lane at (916) 324-5828 or Mr. Benjamin Tang at (916) 324-2720.

Sincerely,

/s/ Richard C. Johnson

Richard C. Johnson
Deputy Director
Property Taxes Department

RCJ:bt
Enclosure